Ohme response – DNOs' future role in supporting the rollout of low carbon technologies

ABOUT OHME

Ohme is the market-leading provider of domestic EV smart charging products and services across the UK, Ireland and Benelux, with established partnerships spanning major automotive manufacturers including Volkswagen Group, Ford, Stellantis, Volvo, Hyundai and Mercedes-Benz, as well as Motability, fleet operators, installers and energy suppliers.

As the leading provider of domestic charge points, we are actively engaged across multiple flexibility markets to maximise the value delivered directly to consumers, with c.250 MW of capacity prequalified for the 2026/27 T-1 Capacity Market auction, live participation in DSO markets and qualification for wholesale market participation underway. We are a lead partner in the SIF-funded Crowdflex innovation project, the largest multi-year domestic energy flexibility trial. This scale of deployment, combined with real-world market participation and partnerships, provides us with unparalleled insight into the behaviours, needs and expectations of a diverse consumer base already delivering CLF.

RESPONSE TO CONSULTATION QUESTIONS

Overarching rationale:

Q1. Should DNOs play a role in co-ordinating and supporting a cost-effective energy transition through improved planning and supporting/directing targeted delivery? How can they help make the transition more efficient and affordable for everyone, and do they have a role in supporting lower income households?

Yes, but our support is contingent on the nature and boundaries of that responsibility.

DNOs' strengths - regional presence, network data and existing stakeholder relationships are most valuable where they address failures the market cannot resolve, e.g. the absence of transparent and locational constraint signals, insufficient standardised data for aggregators and co-ordination failures between network investment plans and local decarbonisation programmes. We support an enhanced DNO role anchored in these areas.

DNOs are less well-placed for roles that could extend into consumer-facing delivery in a market that competitive actors could serve if the underlying market design were improved. Ofgem reiterated in the ED3 Sector Specific Methodology Consultation (SSMC) that 'plan and build' will not replace the imperative to advance flexibility as an alternative to additional and costly network reinforcement. However, if DNO support of LCT rollout, e.g. installation of batteries across a cluster of households is justified as network benefit, expenditure becomes potentially RAB-eligible, where costs are recovered from all consumers over decades and the competitive alternative of contracting with an aggregator is effectively superseded. If Ofgem is serious about avoiding the 'RAB always wins' dynamic, the boundary between network enablement and consumer-facing delivery should be clearly drawn.

We acknowledge that the market has not yet successfully delivered for low-income households where market failures have compounded. Therefore, we support targeted intervention on these grounds, but urge the case to be made explicitly and separately from the network benefit case. Equity and network benefit justifications require distinct accountability frameworks: the former requires transparent targeting criteria to ensure support reaches those who need it most, while the latter requires a rigorous counterfactual test against market alternatives, i.e. they demand different tests and different governance structures.

Enhanced coordination:

Q2. Do you agree with the overall rationale and scope of 'Enhanced Co-ordination'?

Yes, the overall rational and scope address real and well-evidenced gaps. Strengthening requirements around collaboration plans, standardised data sharing and more consistent stakeholder engagement in network plans is proportionate and builds logically on ED2 foundations.

However, regarding scope, we recommend that proposals are implemented with clear boundaries so that they do not become a staging post for more expansive DNO roles that have not been fully tested or justified. We recommend DNO

designation as data ‘providers’, planning ‘enablers’, and engagement ‘facilitators’. Any movement toward consumer delivery or funding roles should be subject to separate and more rigorous assessment via the Expanded Role consultation.

Q3. What are your views on the effectiveness of the existing Collaboration Plan requirements? Do you think the enhanced Community Collaboration Plans we have described would be helpful to stakeholders and, if so, how best should they be monitored?

Not answered.

Q4. How useful is the data currently published by DNOs, and is it presented adequately?

Currently, the quality, interoperability and accessibility of data publication across DNOs is inconsistent. Raw data is often known to be insufficiently granular at the low-voltage level to support the kind of area-based planning that the enhanced coordination and expanded role proposals depend upon.

Standardisation is also an issue. Data that is published in non-interoperable formats or that does not align with the signals that aggregators and local planners need to make investment decisions has limited practical value regardless of how it is visualised. We urge Ofgem to prioritise the standardisation, interoperability, quality and granularity of the underlying data over investment in new visualisation tools.

Q5. What are your views on strengthening the System Visualisation Interface requirement, and would it be valuable for DNOs to collate and publish additional non-network datasets, if so, which datasets would be most beneficial?

We support strengthening System Visualisation Interfaces (SVI) with a clear priority - publishing standardised, locational constraint signals combining capacity data, flexibility procurement intent and long-dated demand forecasts. SVIs currently lack the forward-looking signals aggregators need to build long-term business cases and compete with reinforcement on equal terms.

Beyond this, additional datasets most valuable for area-based planning include domestic EPC data, fuel poverty estimates and planned network upgrade programmes. These allow local authorities, aggregators and installers to identify where coordinating network investment and LCT deployment would deliver the greatest combined value.

Q6. What are your views on the Working with Local Authorities and others proposals we have set out above? What if any, would be the key elements of this? Are you aware of particular entities who would benefit from such advice?

In general, we support greater collaboration of DNOs and local authorities who have a documented need for support where planning and investment interacts with network capacity constraints.

Q7. How could iDNOs support the proposals in this portion of the consultation? How could either private wire connected properties or license-exempt networks feature in these proposals?

Not answered.

Q8. We are keen to understand how these proposed Enhanced Co-ordination activities could best integrate with NESO's RESP processes in the near and long term, and how these proposals could complement, or be in tension with, RESP development?

DNO Community Collaboration Plans should be explicitly structured to generate data and engagement outputs that are compatible with RESP input requirements. Ofgem and NESO must therefore agree on the data standards and reporting formats that would allow local DNO engagement to flow upward into RESP processes in a usable form.

Expanded role:

Q9. Do you think if DNOs adopted the type of Expanded Role described above this would add value and support the rollout of LCTs and energy efficiency? Could this model provide an effective and viable way to deliver network and system benefits? If so, could this be achieved while also prioritising support for low-income households?

We are not persuaded that an Expanded Role for DNOs is the right primary instrument for accelerating LCT and energy efficiency rollout and we have significant reservations about the structural logic of the Focused Intervention archetype in particular.

The ED3 framework is being designed to support a step-change in network investment and to keep the sector attractive to investors. It is inherently geared to fund capex through consumer bills. Asking DNOs to support LCT rollout in ways that can be justified as network benefit risks pulling more activity into RAB logic, with weak competitive tension and an inherent bias toward solutions that look like assets rather than contracted services. The Focused Intervention archetype, which would add LCT installation costs to the RAV and recover them through consumer bills over extended periods, exemplifies this risk. Once costs are embedded in the RAV, they are difficult to unwind and consumers bear the long-term financing cost regardless of whether the original investment was optimal.

The more fundamental gap is the absence of market design conditions that would allow competitive actors to deliver what DNOs are being asked to do: standardised, long-dated locational flexibility products; transparent constraint value signals; and credible performance frameworks that allow a DSO to rely on contracted demand-side capability rather than wires. Addressing these gaps is also how Ofgem could avoid the 'RAB always wins' dynamic. Expanding the DNO role before flexibility markets have been properly designed and tested does not resolve the gap, but rather supersedes the market alternative by default, locking consumers into RAB-financed bill impacts that may never have been necessary.

Therefore, we recommend that DNO delivery roles be considered only where improved flexibility market design demonstrably fails to deliver at the required scale. As noted in our response to Q1, we acknowledge that market failures risk compounding disadvantage for low-income households. We suggest that any expanded delivery role focused on these households be established independently of the network benefit justification in order to provide the distinct accountability and governance framework necessary to ensure support reaches those who need it.

Q10. What are your views on us considering these proposals using a network benefit and wider system benefits approach? Do you have relevant information on the likely network, system, consumer or efficiency benefits of such an approach?

We support using a network and system benefit framework as the primary analytical lens, but recommend that Ofgem strengthen two aspects of how it is applied.

Firstly, the benefit categories require sharper definitions and stronger counterfactuals. Network benefits from deferred reinforcement, for example, should be calculated against a flexibility baseline, i.e. against what could be achieved through competitively procured demand-side solutions, not against 'do nothing' scenarios. Without this, the framework risks overstating the net benefit of DNO-delivered solutions relative to market alternatives.

Secondly, wider benefits, e.g. decarbonisation, consumer protection and supply chain development should be assessed separately from network and system benefits, with separate funding justifications. Bundling them together risks creating a justification for DNO activity that is too broad to be accountable. If a measure is justified on equity grounds, that should be explicit and separately funded; if it is justified on network benefit grounds, the counterfactual test above should apply.

Q11. Do you have any views on the archetypes presented and their implications? Do you have any other approaches we should consider? Do you have any evidence on key components notably:

Of the three archetypes, we favour Laying the Groundwork as it best aligns with DNO core competence while avoiding the long-term LCT financing burden on consumer bills. We further recommend that key elements such as proactive enabling works and the coordination of network upgrades with local delivery programmes be delivered as extensions of Enhanced Co-ordination, rather than established as a distinct Expanded Role.

We do not support Focused Intervention as currently framed as RAB financing of consumer-facing LCT delivery removes competitive discipline, creates long-term bill commitments that are potentially insensitive to whether the original investment remains optimal and supersedes market-based alternatives. Though socialised funding for LCT measures could be justified, it should be made through government scheme design rather than embedded in network regulation.

On technologies, battery storage and solar PV are likely to offer higher near-term network benefit, but heat pumps should not be excluded from any pilot given their centrality to decarbonisation. Finally, regarding consumer engagement, DNOs are not well-placed as the primary consumer-facing entity. Engagement should be led by trusted partners with DNOs providing the data and planning support to make those interactions more effective.

Q12. Do you have views on whether pilots of these approaches would be valuable?

In general, we support piloting, but urge projects to be structured to test the flexibility-first hypothesis as well as the DNO delivery hypothesis. That is, each pilot should include a genuine control or comparator condition in which improved flexibility market design - standardised products, transparent constraint signals, credible performance frameworks are tested alongside or instead of DNO delivery. Without this, pilots risk generating evidence only for the DNO delivery route and not for the market design alternative.

The most valuable pilot focus in our view would include the feasibility of long-dated locational flexibility procurement as an alternative to reinforcement and consumer engagement models in area-based programmes, including effectiveness with low-income households.

Q13. How could iDNOs support the proposals in this portion of the consultation?

Not answered.